

EIGHT ACTIONABLE PRIORITIES FOR BIODIVERSITY

Synthesis of the recommendations of the high-level group of experts

To contribute to the successful implementation of the EU Green Deal for a Sustainable Future, the European Commission's department for International Partnerships (INTPA) has sought the advice of a high-level group (HLG) of scientists and practitioners¹ to write actionable recommendations for how the EU can work with its global partners to address the interlinked biodiversity and climate crises whilst ensuring green growth for populations around the world.

The recommendations have been consolidated into 8 categories, with four thematic domains and four cross-cutting issues:

- 1) Conservation of critical ecosystems,
- 2) Restoration of degraded land/seas,
- 3) Safe and sustainable food systems,
- 4) Legal, safe and sustainable wildlife use,
- 5) Knowledge and capacity building,
- 6) Governance and MEAs,
- 7) Indigenous peoples and local communities,
- 8) Sustainable green finance.

The recommendations will be presented at the closing ceremony of the European Development Days 2021 on 16 June at 17.15.

They will then steer the implementation of future cooperation programmes and feed the debate on an ambitious Global Framework for Biodiversity to be adopted at the upcoming UN Biodiversity Convention (COP 15) in Kunming later this year.

1) See last page

International Partnerships

NO1 CONSERVATION OF CRITICAL ECOSYSTEMS

N⁰2 RESTORATION OF DEGRADED LAND/SEAS

ANALYSIS

Around 1 million animal and plant species are threatened with extinction, ecosystems are undergoing dramatically rapid degradation and collapse, and the world is facing an urgent climate crisis. These twin challenges can be addressed by protecting and conserving nature better. Protecting additional areas of wetlands (coastal marshes, seagrasses, mangroves), peatlands and primary/intact forests would help reduce greenhouse gas emissions, saving billions of dollars annually through disaster risk prevention, while also saving rare endemic species and protecting important ecosystems.

Global demographic and economic trends are placing incredible pressure on many of nature's last remaining strongholds. At the same time, in many cases, these areas represent key livelihood resources (wild meat, fish) and opportunities for socio-economic development (e.g. ecotourism) for indigenous peoples and local communities, who are also key partners in conservation.

Main recommendation

Conservation of the main critical terrestrial and marine areas of high ecological integrity, the most carbon-rich biomes, and the areas where nature-based solutions deliver critical benefits.

Scientists estimate that effectively protecting and conserving an additional 450 million hectares of primary/intact forests, wetlands, grasslands and peatlands could achieve that objective. Investments should be long-term and benefit local communities as well as providing for biodiversity conservation. A key medium for implementation is the NaturAfrica initiative and similar interventions in Asia/Pacific and Latin America/Caribbean.

A focus on Africa is relevant because of local communities' heavy reliance on natural resources and as it is where many of the last remaining highly intact wild areas are located. Indigenous peoples and local communities, through their traditional livelihoods, are among the most important custodians of biodiversity. Local area knowledge must be better understood and supported in order to ensure better harmony with nature. Africa will undergo a great transformation in the coming years and faces huge economic and demographic evolution. Human pressure on natural resources is due to demographic growth, but also to increasing demand from international markets, in particular Europe. The challenge is to ensure that countries are supported to conserve these last remaining wild terrestrial places until they have sufficient resources to manage them for the long term.

On marine ecosystems, the EU could focus on the Pacific Ocean, the Caribbean region, the Indian Ocean and the Atlantic facade of Africa, including the European Union's Overseas Countries and Territories and Outermost Regions, since these locations include highly intact marine ecosystems, are severely affected by climate-related disasters and can develop nature-based solutions.

Protection (and restoration) does not necessarily mean forbidding all activities. Low-intensity nonindustrial activities, including natural resources-based SMEs can contribute to conservation goals, and can also create economic opportunities and improve the living standards of local communities. Supporting the legal recognition of territories and areas conserved by indigenous peoples and local communities (IPLCs) is an effective means of achieving conservation. This is the logic of Key Landscapes for Conservation and Development.

Detailed recommendations

Detailed recommendations to the EU, governments and donors include

- Expand the number and coverage of protected areas and OECMs (Other Effective area-based Conservation Measures), with a focus on areas that are most important for biodiversity, ecologically highly intact, carbon-rich, and/ or geographically restricted (and ideally some combination thereof), contributing to a target of 30 % of global lands and seas being covered by protected areas and OECMS, as well as a target of retaining and enhancing ecosystem integrity and connectivity.
- Integrate conservation, diversification and green economy sectors into sustainably managed large landscapes/ seascapes (NaturAfrica and similar), invest in nature-based solutions, ecosystem-based adaptation and identify where nature can offer better solutions to development challenges, such as climate adaptation and disaster risk reduction.
- Explore all equitable governance and protection models that encourage social inclusion and greater participation. This includes management by indigenous peoples and local communities, securing their rights as key actors and beneficiaries in conservation. Champion inclusion, preserving lives, livelihoods and sociocultural heritage of the often-vulnerable people living in and off the forests, including indigenous peoples' groups.
- Develop or support policies and interventions that aim to reduce tropical deforestation, as well as forest degradation rates, by 75 % by 2025 and by nearly 100% by 2030. Sub-national strategies with direct impact on land restoration will also be targeted.
- Also implement strategies at the species level, better protecting endangered and threatened species and ensuring the use of species is sustainable, including setting up legal and equitable value chains based on wildlife (e.g. tourism).

ANALYSIS

'Currently, degradation of the Earth's land surface through human activities is negatively impacting the well-being of at Detailed recommendations to the EU, governments and donors least 3.2 billion people, pushing the planet towards a sixth mass include species extinction, and costing more than 10 per cent of the annual global gross product in loss of biodiversity and ecosystem services' (IPBES Global assessment). use of landscapes.

The restoration of these degraded ecosystems, in particular forests (tropical, temperate, boreal), can help sequester carbon, produce goods and services, create jobs and increase connectivity in the landscape around protected areas. The economic benefits of such nature-based solutions exceed by 10 times the cost of investment, whereas inaction is at least three times more costly than ecosystem restoration. Many restoration pledges are hampered by a lack of funding, know-how and standards of reference.

The restoration of marine and coastal ecosystems, primarily through sustainable fisheries management and the establishment of marine protected areas, can provide livelihoods, improved nutrition and better health in addition to providing a more effective buffer against natural disasters such as climate change impacts and pandemics.

Main recommendation

A strong effort to restore degraded ecosystems as part of the UN decade of ecosystem restoration would have huge benefits. A target could be set at 300 million hectares by 2030, generating an estimated EUR 8 trillion in ecosystem services and removing up to 26 gigatons of greenhouse gases from the atmosphere. Moreover, restoration can become an economically viable enterprise, producing natural products and creating jobs while restoring the capacity of land to provide ecosystem services for sustainable agriculture or energy. Adequate financial mechanisms should be deployed by donors and the private sector to generate the appropriate business environment.

Priority areas for terrestrial ecosystem restoration include the Sahelian belt along the Great Green Wall, and other degraded savannahs and forests in East and Southern Africa, but also peatlands and freshwater ecosystems. The target is not to restore ecosystems to a pristine condition, but to ensure they recover enough to provide the whole range of economic and social services expected from healthy ecosystems, prioritising the needs of local communities. Biodiversity offsets may provide financing opportunities for the private sector to contribute to the restoration of degraded ecosystems.

The restoration of coastal and marine ecosystems should also be targeted through sustainable fisheries management, locally managed marine areas and the establishment of marine protected areas.

Detailed recommendations

- Reduce further degradation of environments by coordinating across productive sectors to ensure more sustainable
- Restore degraded forests and savannahs capitalising on existing large initiatives, such as the Great Green Wall, AFR100 and the UN Decade on Ecosystem Restoration.
- Capture the value of coastal and near-shore terrestrial ecosystems together in a unifying framework.
- Explore all models of restoration that recognise and support the need and interests of smallholder farmers, encourage social inclusion and greater participation. The new model should be based on localness, fairness and justice while sustaining dynamic networks between producers and consumers. This includes management by local communities and indigenous people
- Invest in nature-based solutions and identify where nature can offer better solutions to development challenges, such as climate adaptation and disaster risk reduction.
- Support best practice on restoration that respects the rights of IPLCs, recognises the value of customary lands (sometimes mistakenly perceived to be degraded or unused) to local people and generates diverse and sustainable landscapes.
- Develop restoration schemes which are socially equitable, economically viable and environmentally friendly (i.e. support restoration of 300 million ha).
- Favour (assisted) natural regeneration and avoid planting trees in grassland (a no-go from a biodiversity perspective).
- Support the livelihoods of forest-frontier and other local communities, notably by establishing and scaling up payments for ecosystem services and by developing sustainable forest frontier and/or wildlife conservation business models.

NO3 SUSTAINABLE AND RESILIENT FOOD SYSTEMS

N⁰4 LEGAL, SUSTAINABLE AND SAFE WILDLIFE USE

ANALYSIS

Industrial agriculture has marginalised many practices, crops and animals to the detriment of agro-diversity and the health of agro-systems. After a period of increase of raw production, this model has shown its limitations in terms of soil fertility and crop yields, energy efficiency, ecosystem integrity including water resources, biodiversity loss, and mitigation of and adaptation to climate change, leading to an impasse. Moreover, the poorest farmers did not benefit from this model. Scientists have underlined that the world cannot be fed unless the soil is fed and agro-diversity is respected. Agro-ecological and regenerative agriculture approaches enhance and sustain the health of the soil by restoring its carbon content, a primary measure of productivity in agricultural systems and in drylands and semiarid ecosystems (United Nations Convention to Combat Desertification, UNCCD). Focusing on regenerative agriculture can be effected also as part of the restoration agenda and has the potential - besides reducing emissions and improving agro-diversity – to increase net income for farmers. This is particularly relevant for Africa, where agriculture plays a particularly crucial social and economic role, as more than 60 % of the population of sub-Saharan Africa are smallholder farmers.

Main recommendation

The EU through its know-how and its Farm to Fork Strategy should support smallholder farmers and fishers in Africa and around the world in improving the sustainability of food systems, enhancing the resilience of their sector, increasing their productivity and aligning their efforts to tackle climate change, protect the environment and preserve biodiversity. Agro-ecological and regenerative agriculture approaches should be implemented on 30-50 % of agricultural lands, while sustainable landscape management and land governance principles should be applied in direct coordination with conservation and restoration programmes. The promotion of agro-biodiversity maintained in traditional systems contributes to addressing climate change. Specific attention should be given to the links between food systems and health, through a One Health approach, with particular focus on livestock and on ensuring agricultural development is not promoted in areas that jeopardise high-integrity ecosystems. The impact of urban regions on biodiversity should be considered, as an increase in the urban population leads to increasing demand for nutritious food. Finally, harmful economic incentives, subsidies and policies in agriculture and fisheries should be phased out worldwide when they have a negative impact on biodiversity.

Detailed recommendations

Detailed recommendations to the EU, governments and donors include:

- Promote biodiversity-friendly agroecological practices: (i) No-tillage, cover crops and complex agroforests where these actions do not threaten high-integrity forest ecosystems, (ii) integrated pest management and soil restoration, with no or little use of pesticides, (iii) crop diversification, reduction of monocultures and enhanced use of neglected plants. (iv) promotion of perennial crops, agrobiodiversity. change in cropping area and land restoration, reduced deforestation and land degradation, (v) residue management for supporting diversity in farmlands, horticulture, (vi) feed and fodder banks, reduced pressures on rangelands, improved animal breeds, reduced deforestation due to animal pressures, fodder agriculture, silvo-pastoral systems management.
- Promotion of natural products (biodiversity-related or organic): many emerging food markets in developing countries are based on new food products that value biodiversity or are based on organic production. This is an opportunity to redesign business models by encouraging them to adopt a species-portfolio approach that considers diversity at landscape level and issues of multi-functionality as a reference to be preserved through the conservation of species diversity while developing businesses for natural products (whilst avoiding the harmful biodiversity and health consequences of promoting increased use of live wildlife for urban or peri-urban food markets).
- Urban and peri-urban agriculture, horticulture and orchards, and use of natural products: Increased urban populations lead to an increasing demand for nutritious food. Urban regions are important to consider for biodiversity actions around green urban regions, land restoration or the reduction of air pollution.
- Phasing out harmful economic subsidies, incentives and policies in agriculture and fisheries aiming at promoting mono-cropping, intensive farming systems based only on the use of external inputs or production and marketing systems conducive to an intensive exploitation of natural resources. Incentives and policies should be oriented to better promote diversified and agro-ecological farming systems and productive systems compatible with the regeneration of natural resources.

ANALYSIS

Wildlife is at the centre of many issues of human development and conservation. When managed sustainably and safely, wild meat is The legal, sustainable and safe use and consumption of wildlife an essential source of protein and an income generator for millions and the fight against wildlife trafficking are critical to stop bioof forest communities in the tropics and subtropics. Wildlife also diversity loss, reduce the spillover of pathogens and emergence helps develop tourism industries for the benefit of local commuof zoonotic infectious diseases, secure healthy food for Indigenities, governments and the private sector. However, unsustainable nous peoples and local communities, and address the interlinked threats of wildlife trafficking, drug trafficking and armed conexploitation increasingly endangers the integrity of ecosystems and threatens the livelihoods of many vulnerable households. flicts. They require strong enforcement regulations on wildlife crime, conducting research, surveillance and monitoring pro-Wildlife trafficking, in particular, is a direct threat to the survival of grammes for wildlife pathogens, working to ensure that the risk of spillover of pathogens from wildlife to humans and other several iconic species, is linked to armed conflict, and undermines the rule of law and socio-economic security. Despite increased animals is addressed, supporting improved access to health political attention, the resources deployed globally to tackle the services for communities living in and around protected areas problem and the penalties and sanctions applied to offenders fall and stemming the wildlife trade to cities, while preserving food far short of what is required. security.

Recent health crises (COVID-19, SARS, HIV, Ebola) also demonstrate the risk posed by spillover of pathogens (viruses, bacteria) from Detailed recommendations to the EU. governments and donors wild animals (live or meat) to humans, exacerbated by deforestainclude tion and both legal and illegal wildlife trade. They illustrate the . Treat wildlife crime as a serious transnational crime. includdangers of illegal, unsustainable and unsafe wildlife exploitation to global public health and safety. Combating diseases of zoonotic origin and preventing their outbreak in humans require cooperation across environment, agriculture and health institutions. This situation highlights the urgent need for reducing ecological degradation – identifying and protecting highly biodiverse and highly intact ecosystems and for coordinated wildlife health monitoring and driving this crime. surveillance systems that integrate with the established surveillance of notifiable diseases in humans and domestic animals under the World Health Organisation. These actions must closely involve indigenous peoples and local communities dependent on wildlife for protein and other nutrients, whilst recognising that wildlife consumption by urban consumers is a luxury that undermines biodiban areas, (iv) reinforcing regulatory frameworks. versity, health and the livelihoods and food security of IPLCs.

Furthermore, wildlife exploitation and trade must be safe at all levels. It is vital to define what is meant by safe. We define safe in terms of wildlife use and trade as 'posing no risk of pathogen spillover to humans, wildlife, or domesticated species and posing no risk of becoming an alien invasive species'.

Main recommendation

Detailed recommendations

- ing by committing a similar level of resources and penalties as deployed to fight other serious crimes such as drug trafficking, and support actions to counter wildlife trafficking along the whole trading and trafficking chain, from the field to initial supplier to final consumer, addressing both supply and demand, and focused on disrupting the criminal networks
- Define and implement long-term strategies on sustainable wildlife use, in particular on wild meat consumption, by (1) adopting sustainable hunting practices in forest areas, (ii) providing alternative proteins for rural areas, (iii) stemming the trade of wild animals from forests to cities and peri-ur-
- Urge countries to drastically control the trade of wild animals for human consumption in wet markets, in particular urban and peri-urban markets for live and freshly slaughtered animals, and provide technical support to quickly strengthen wildlife laws and support law enforcement efforts.
- Strengthen surveillance programs for wildlife pathogens and support capacities for monitoring. Investments could be directed at rapid detection and response plans.
- Support improved access to health services for communities living in and around protected areas.
- Support greater research on the links between wildlife and human health and targeted community-based outreach programmes to protect people and wildlife.
- Adopt a One Health approach for truly safe wildlife use at all levels.

EIGHT ACTIONABLE PRIORITIES FOR BIODIVERSITY RECOMMENDATIONS FROM THE HIGH-LEVEL GROUP OF EXPERTS



CONSERVATION OF CRITICAL ECOSYSTEMS

- Preserve the main terrestrial and marine areas (forests and other ecosystems with high integrity) with a target of 30% of land & seas under effective conservation
- Explore all governance models and protection degrees including management by local communities and indigenous peoples
- Integrate conservation and green economy sectors into large landscapes / seascapes



RESTORATION OF DEGRADED LAND/SEAS

- Restore 300 million hectares of degraded ecosystems in Africa and other regions by 2030
- Make restoration economically viable and a source of jobs and growth (agriculture, reforestation...).
- Include the restoration targets in the landscape approach to ensure synergies with sustainable agriculture and other sustainable



SUSTAINABLE FOOD SYSTEMS

- Support nature-positive agricultural practices (agroecology, deforestation-free value chains..)
- Support sustainable food systems in partner countries by improving policy coherence (harmful subsidies. trade...).
- Promote a multi-objectives landscape approach of large territories (food provision, climate change, biodiversity...)



KNOWLEDGE GAP

- Applied research on ecosystems and wildlife, their sustainable use, the interactions with humans (health issues)
- Reinforce local and national capacities to produce and utilise scientific information in decisions
- Disseminate information through integrated regional platforms for decision-makers.



INDIGENOUS PEOPLES & LOCAL COMMUNITIES

- Adopt a community rights-based approach in all conservation and development programs, including Free Prior and Informed Consent
- Ensure "Other Effective area-based Conservation Measures" fully recognize areas managed by IPLCs.



MEAs & INTERNATIONAL GOVERNANCE

- tal agreements
- strategies at national level

SUSTAINABLE GREEN FINANCE

LEGAL, SUSTAINABLE, SAFE WILDLIFE USE

- Fight wildlife trafficking by addressing supply and demand, from poacher to final user
- Ensure that trade and consumption of wildlife is sustainable and benefits local communities (food. livelihood)
- Control the spill-over of pandemics by reducing deforestation and strictly regulating trade and consumption of wildlife (One Health approach)

Support EU partners to implement biodiversity-relevant multilateral environmen-

Improve coherence and visibility of biodiversity-related policies and financing

• Promote green investments for biodiversity through (i) policies and public grants (ii) technical assistance (iii) financial incentives, (iv) biodiversity offsets Reflect the role of biodiversity in sustainable growth by: (i) integrating nature-related risks and climate resilience in their policies, (ii), valuing and account for nature (iii) mobilising international investors.

N⁰5 KNOWLEDGE AND CAPACITY BUILDING

N°6 INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

ANALYSIS

In conventions and major international forums on biodiversity, countries make commitments that can be difficult to implement on the ground and at national level due to a substantial lack of knowledge and capacity. Firstly, many scientific and technical questions remain unanswered, particularly on the functioning of complex systems and interactions with forest peoples. Secondly, many countries worldwide have limited capacities to produce useful information for natural resource management and to embed this information into decision-making processes. Finally, when available, biodiversity information is not sufficiently disseminated through regional or national platforms.

Therefore, it is crucial to support stakeholders with knowledge and capacity building as part of the implementation of the future post-2020 global biodiversity framework and the Sustainable Development Goals. It is necessary to reinforce public expertise and research centres at national and regional levels and to facilitate the transfer of research results to stakeholders and civil society in order to serve concrete and operational actions and innovation.

Main recommendation

The EU should support substantial programmes to fill the implementation knowledge gap along 3 streams: (i) applied research on ecosystem functioning and wildlife and their interactions with humans, (ii) strengthen capacities to produce scientific and technical information, to integrate scientific and indigenous knowledge and to use this knowledge in decision-making, and (iii) analysis and dissemination of the information through integrated platforms. Regional centres of excellence combining the 3 aspects would represent a real progress in many regions.

Specific attention should be paid to interactions between biodiversity and health (One Health), in particular around pandemics and nutrition issues and to capitalising on IPLCs' traditional knowledge.

Detailed recommendations

Detailed recommendations to the EU, governments and donors include:

- Consider approaches to comprehensive research to understand the interlinkages and interdependencies between biodiversity and climate change. The Strategic Plan for Horizon Europe 2021-2027, which is the largest multinational collaborative research and innovation investment in Europe, includes a large international dimension and strong commitments on research on food security, the bio economy, natural resources, agriculture and environment (cluster 6). These research programmes on very complex issues should help steer the research community towards defining long-term, transversal and multifunctional standards and references to ensure shared commitments by governments and agencies. Knowledge should also support the protection of nature, the sustainable use and restoration of landscapes, as well as wildlife and the fight against wildlife and forest crime and trafficking.
- Enforce science-based approaches. The Horizon Europe programme, vocational and educational training (VET). professional skills and capacity-building programmes should all have a more significant role to play as part of national and regional EU actions. Science should enlighten stakeholders' decisions to develop inclusive and holistic approaches, with particular attention to local communities, indigenous peoples and women. In this way, capacity-building and communication components of national or regional projects such as NaturAfrica or Sustainable Wildlife Management (SWM) should be maintained or increased. These are necessary conditions to support innovation but also to understand the links between inter alia wildlife and human health, or to implement the targeted community-based outreach programmes to protect people and wildlife. Moreover, there need to be efforts to map and scale up proven solutions on biodiversity.
- Steer research around financing and bridging transition risks, in order to leverage economic and financial tools and support actors to capture the real value of nature. to account for impact on nature and to disclose their biodiversity performance. Supporting governments and financial institutions to provide regulatory frameworks and incentives, to develop opportunities to redesign business models and integrate nature and climate resilience in their policies is crucial. To initiate a wider systems effort, international financial institutions (IFIs) participating in the EU External Investment Plan (EIP) should be requested to undertake biodiversity risk screening throughout their portfolios. In parallel, the deployment of the EU Taxonomy for Sustainable Financing, to which biodiversity will be added in 2021, should be used to engage as many countries as possible.

ANALYSIS

Indigenous Peoples and Local Communities (IPLCs) are dependent on ecosystems and wildlife for subsistence and cultural Detailed recommendations to the EU, governments and donors identity. A large proportion of the last intact forests (35 %) are include: Encourage partner countries to ensure the full and effective owned or managed by indigenous peoples and there is solid evidence that forest management by IPLCs is highly effective and in some cases has increased forest biodiversity. Protection does not necessarily mean prohibiting all activities and a lot could be achieved by supporting appropriate tenure rights and access for indigenous peoples, and allowing traditional non-inownership of these issues. dustrial activities (or low intensity ones). The inclusion of Other Consider specific initiatives such as supporting their indige-Effective area-based Conservation Measures (OECMs) in future targets for a global biodiversity framework is an excellent opportunity to reflect the value and integrity of areas managed able use of biodiversity and traditional knowledge. bv IPLCs.

Main recommendation

Overall, all actions to restore and conserve biodiversity should closelv involve IPLCs from the very beginning of the process, and ensure that these actions jointly benefit people, biodiversity and climate. In addition to ensuring participation and benefiting IPLCs. these actions should secure. maintain and exert their land and user rights, as well as recognising local and indigenous traditional knowledge. Any proposed changes in IPLCs' access to wildlife and rights to use wildlife within their territories must be accompanied by a free, prior and informed consent (FPIC) process. Should IPLCs decide not to give consent, that decision should be respected. OECMs should recognise areas managed by IPLCs. On the other hand, conservation and restoration practices developed by IPLCs over many decades must continue to inspire current practices.

Detailed recommendations

- participation of their citizens and various stakeholders (private sector, indigenous peoples, women and youth) in public debates around the design of transformative climate and biodiversity policies, in particular to create a common
- nous peoples to develop monitoring and information systems for climate change, based on customary sustain-
- Support IPLCs to maintain high-integrity ecosystems, including wildlife populations and diversity on protected and non-protected lands for IPLCs. This would enhance the food security and livelihoods of local communities directly dependent on wildlife and reduce the pressure from cities and international markets on wildlife populations. Urban markets selling live and fresh wild birds and mammals should be tightly controlled to minimise zoonotic pathogen spillover to IPLCs.
- We must champion inclusion and preserve the livelihoods and sociocultural heritage of the hundreds of millions of poor and often vulnerable people living in and off the key anthropo-ecosystems (forests, freshwater ecosystems, grasslands, coastal areas) including indigenous peoples. We should support the livelihoods of forest frontier original communities and support indigenous peoples to maintain their way of life, while establishing and scaling up payments for ecosystem services. We should preserve the effects of protected natural systems on the well-being of communities.
- Investments linked to nature-based solutions should benefit indigenous peoples and local communities, and help them secure and maintain their land and user rights.

$N^0 8$ financing the green and greening finance

ANALYSIS

Strengthened international environmental governance has • direct relevance for Sustainable Development Goals, together with the recognition of the significant contributions from multilateral environmental agreements (MEAs) to sustainable development.

However, due to limited capacities in countries, the failure to fully implement MEAs at national level, and more generally to enforce environment-related laws and regulations, is one of the greatest challenges to mitigating climate change, reducing pollution and preventing widespread species and ecosystem loss².

Main recommendation

The EU should support its partners to implement biodiversity-relevant multilateral environmental agreements, in particular the Convention on Biological Diversity (CBD), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Convention on Migratory Species (CMS),, United Nations Framework Convention on Climate Change (UNFCCC), UNCCD, and improve coherence and visibility of biodiversity-related policies at national level as an integral part of sustainable development models. Robust environmental governance should be ensured by promoting environmental rule of law, access to information about the environment and environmental change, supporting the rights and resource access of IPLCs, participatory approaches in development planning, as well as access to judicial institutions and fair processes.

Detailed recommendations

Detailed recommendations to the EU, governments and donors include:

 Further mobilise governments and stakeholders on MEA participation in international negotiations in view of CBD COP15 and UNFCCC COP26 in particular, and as part of the prevention of future pandemics of zoonotic origin. This could include links between MEA implementation at national level and projects, political dialogue and outreach in international forums in view of Rio Convention COPs and other MEAs. Regional and global events via video teleconferencing could support continued mobilisation.

- Support coordinated MEA implementation at national level – notably plans and tools related to the CBD, its protocols and the future post-2020 global framework for biodiversity, but also the CMS, CITES, the Paris Agreement, the Sendai Framework for Disaster Risk Reduction, and international processes on oceans, pollution, land degradation and desertification.
- Promote specific initiatives such as strengthening the assessment and reporting (MRV) capacities of developing countries; reskilling and upskilling of technicians to accelerate the economic green transition; supporting the elaboration and reassessment of national biodiversity strategies and action plans (NBSAPs) and future national biodiversity financing plans, and updating nationally determined contributions (NDCs) and their articulation with other national plans and strategies.
- Encourage partner countries to ensure the full and effective participation of their citizens and various stakeholders (private sector, indigenous peoples, women and youth) in public debates around the design of transformative climate and biodiversity policies to create common ownership and effective implantation of domestic policies and international cooperation in climate and biodiversity action.
- Support the adoption of environmental assessments and ecosystem accounting across multiple institutions and multiple scales to highlight the state, and, where possible, the value of natural capital assets such as biodiversity and ecosystem services, to departments of economic planning and national treasuries³. These natural capital accounts could institutionalise the monitoring of the state of the natural environment, and reflect changes in the natural environment as changes in a nation's asset base. The impact of COVID-19 on resource availability shows that results-based budgeting for biodiversity (rather than incremental budgeting) could, in time, improve the visibility and coherence of biodiversity-related policies.

ANALYSIS

A recent study⁴ that received considerable scientific backing and was endorsed by many key international stakeholders estimated total financial flows benefiting biodiversity conservation in 2019 between USD 124 and USD 143 billion. This represents a near-tripling in funding since 2012. However, spending on agricultural, forestry and fisheries subsidies that degrade nature is at least two to four times greater, and that does not include subsidies for fossil fuels. To reverse the decline in biodiversity by 2030, the study estimates a need for USD 722-967 billion each year over the next 10 years, to bridge a financial gap of over USD 700 billion annually, with only a small fraction potentially covered by official development aid.

Main recommendation

Financing the Green. The EU could promote green investments for biodiversity along three main lines: (i) Leverage policies and public grants to scale-up nature-positive investments in the green economy and green recovery, including naturebased solutions (NBS) and payment for ecosystem services (PES) schemes. (ii) Provide technical assistance and advisory services to prepare pipelines of quality sustainable projects. (iii) Support the development of financial incentives for non-carbon benefits and ecological services, including appropriate frameworks for biodiversity offsets.

Greening Finance. The EU could integrate biodiversity in its wider efforts to set up a financial system that supports global sustainable growth by: (i) Supporting governments and financial institutions to integrate nature-related risks and climate resilience in their policies (ii) Supporting economic and financial actors to understand, value and account for nature and disclose their biodiversity performance. (iii) Mobilise international investors by supporting participation in the International Platform on Sustainable Finance and empowering sustainable business networks to enhance private sector transition.

Detailed recommendations

Detailed recommendations to the EU, governments and donors include:

Identify and scale up nature-based solutions (NBS, such as forest conservation and rehabilitation, agro-ecological practices, coastal habitat and mangrove restoration, re-greening of cities), and direct a portion of climate-earmarked development finance to NBS and promote their inclusion in national commitments. NBS projects should benefit IPLCs, and help them to secure and maintain their rights.
Support economic and financial actors to understand, value and account for nature and disclose their biodiversity performance (biodiversity and ecosystem indices as well as role of the Task Force on Nature-related Financial Disclosure).
Champion sustainable blue economy models in strategic regions such as the Congo Basin (see, for example, the

(2) UNEP, 2019. Environmental rule of law – First Global Report. Published by the UN Environment Programme on https://www.unenvironment.org/resources/assessment/ environmental-rule-law-first-global-report

(3) UNEP, 2019. Environmental rule of law – First Global Report. Published by the UN Environment Programme on https://www.unenvironment.org/resources/assessment/ environmental-rule-law-first-global-report

4) https://www.paulsoninstitute.org/key-initiatives/financing-nature-report/

- Internalise ecosystem services into national economies with payment for ecosystem services (PES) schemes, preferably at large (national) scales. National economies will continue to be the largest source of funds in many biodiversity-rich developing countries.
- An effective biodiversity offsets programme, requiring adoption and implementation of the mitigation hierarchy (avoid, mitigate, restore or rehabilitate and finally offset or, failing that, compensate), could bolster private sector funding to new or poorly funded protected areas. Improve biodiversity and ecosystems data to speed up identification of high-risk areas to be avoided by infrastructure and degraded areas which can benefit from green finance and offsets investment. Regulatory work could help develop biodiversity or species credits, similar to the idea of carbon credits that contribute to conservation.
- Provide technical assistance and advisory services to prepare pipelines of quality sustainable projects that can access different sources of finance and contribute to environmental objectives. The identification and increased prioritisation of financial incentives (and possible compensation schemes) for non-carbon benefits and ecological services will also help maintain ecological integrity in developing countries.
- Strengthen and harmonise existing 'do no harm' principles to reduce, and ideally eliminate, investment practices that are harmful to biodiversity, in particular in agriculture, infrastructure, fossil fuels and companies and/or supply chains that are responsible for deforestation or the destruction of nature. On the other hand, specific investment windows related to biodiversity (ecotourism, landscape, watershed management) should be promoted. Request IFIs involved in the EFSD+ to undertake biodiversity risk screening throughout their portfolios.
- Engage with sustainable business networks to support the private sector transition through production, consumption and conservation efforts. Support independent monitoring of corporate pledges, fair prices for producers and the establishment of real-life pilots.
- Champion sustainable blue economy models in strategic regions such as the Congo Basin (see, for example, the Congo Basin Climate Commission's Blue Fund). A dedicated partnership would allow for greater synergy with numerous EU climate and biodiversity projects under development or already in implementation in the Congo Basin countries.

HIGH-LEVEL PANEL EXPERTS



PAULA KAHUMBU CEO WildlifeDirect



WANJIRA MATHAI Vice President and Regional Director for Africa World Resources Institute



PHILIPPE MAYAUX Team Leader Biodiversity European Commission – International Partnerships



CHEIKH MBOW Director Future Africa Institute at the University of Pretoria



EMMANUEL DE MÉRODE Director Parc National des Virunga

JULIA MIRANDA LOÑDONO

IUCN World Commission on Protected Areas

Deputy Director

Vice-Chair





KATE SCHRECKENBERG Professor of Environment and Development King's College London



RUSSELL A. MITTERMEIER Chief Conservation Officer



TOSI MPANU MPANU Ambassador Democratic Republic o<u>f Congo</u>





HINDOU OUMAROU IBRAHIM Coordinator Association of Peul Women and Autochthonous Peoples of Chad



CORLI PRETORIUS Deputy Director UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)

CRISTIÁN SAMPER President and CEO Wildlife Conservation Society



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Contact: Philippe MAYAUX, Philippe.MAYAUX@ec.europa.eu Directorate-General for International Partnerships European Commission Rue de la Loi 41 1049 Brussels, Belgium